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FM AMEMBASSY BEIJING
TO RUEHC/SECSTATE WASHDC IMMEDIATE 5155
INFO RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE PRIORITY
RUEHOO/CHINA POSTS COLLECTIVE PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 BEIJING 001973

SIPDIS

E.O. 12958: DECL: 07/13/2029
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SUBJECT: INDONESIAN FM VISIT TO BEIJING

Classified By: Acting Political Minister Counselor Ben Moeling.
Reasons 1.4 (b) and (d).

SUMMARY

¶1. (C) Indonesian Foreign Minister Hassan Wirajuda's July 1-3 trip to Beijing concentrated mainly on positive aspects of Sino-Indonesia ties, including signing of an extradition treaty, and further development of the strategic partnership, according to MFA and Indonesian Embassy contacts. However, discussions of the seizure of Chinese fishermen revealed possible future tensions in the South China Sea and reinforced China's lingering fears for the safety of overseas Chinese in Indonesia. While pleased with Chinese infrastructure and energy investment to date, Indonesia sought more employment-producing projects from China. End Summary.

¶2. (C) MFA Asian Affairs Department Indonesia Division Deputy Director Wang Hongliu told PolOff July 8 that the primary purpose of the July 1-3 visit of Indonesian Foreign Minister Hassan Wirajuda was to sign a bilateral extradition treaty. In separate meetings with Vice Premier Li Keqiang and Foreign Minister Yang Jiechi, FM Wirajuda also had discussed the plight of Chinese fishermen detained by Indonesian authorities in the South China Sea, Chinese investment projects in Indonesia, progress in the China-Indonesia strategic partnership, the global economic crisis, the purchase of Chinese civilian aircraft, North Korea and Burma.

¶3. (C) Indonesian Embassy Counselor Gudadi Bambang Sasongko (protect) told PolOff July 9 that immediately prior to the extradition treaty signing ceremony, the two foreign ministers held private discussions regarding the fate of the six fishing vessels and 75 fishermen from China reportedly seized by Indonesian authorities June 20. FM Wirajuda had promised to assist, and the Indonesian government subsequently agreed to release 59 of the fishermen. Noting that seizure had occurred near Indonesia's Natuna and within its EEZ, Sasongko expressed concern that Chinese insistence that its fishermen had been within "a traditional Chinese fishing area" at the time of their arrest indicated that Indonesia would likely face future challenges from China over control of resources in areas where Indonesia believed it enjoyed undisputed control.

¶4. (C) MFA's Wang said that China was pleased to see completion of the Chinese-financed and built Suramadu Bridge linking East Java and Madura Island and would continue to support the Chinese financing and construction of a number of coal-fired electric power stations in Indonesia. Sasongko commented that, though not raised by FM Wirajuda during his visit, the Indonesian government had been urging China to invest in more local employment-producing projects (for example, in the Bataan Economic Zone and Industrial Estate) because Chinese infrastructure and energy projects, while helpful to the overall Indonesian economy, had employed almost exclusively Chinese labor.

15. (C) Wang noted China's strategic partnership with Indonesia, the PRC's only such partnership with an ASEAN member, was initiated in 2008, and led on the Chinese side by State Councilor Dai Bingguo. Both sides were working on a "Plan of Action" addressing political/security, economic/trade, and social/cultural pillars. Indonesian diplomat Sasongko commented that Indonesia believed good progress had already been achieved on the political pillar, citing the extradition treaty, on-going military-to-military consultations, and frequent high-level visits. He further noted the USD 31.5 billion trade volume for 2008 indicated healthy progress on the economic/trade pillar.

16. (C) Sasongko noted, however, a lag in progress for the social/cultural pillar, which he attributed to lingering historically-based Chinese apprehensions towards Indonesia. Sasongko observed that his Chinese interlocutors frequently raised anti-Chinese incidents that occurred during the anti-Communist purges in 1965 and the anti-Suharto protests in May 1998. Despite Jakarta's efforts to convince Chinese of a "new attitude" in Indonesia (Sasongko explained that most Indonesians had "turned the page" on those events), Chinese officials regularly underscored the need for the Indonesia government to "protect overseas Chinese," a concern, Sasongko believed, that factored into China's strong protests over the arrest of Chinese fisherman.

17. (C) Both sides agreed to "help improve coordination" in addressing the global economic crisis in the ASEAN plus 1 and ASEAN plus 3 frameworks, according to Wang, and both sides noted the importance of the RMB 10 billion currency swap

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initialed in April. In addition to the general economic cooperation, Sasongko stated that the two sides discussed the Indonesian purchase of 15 60-seat Chinese-manufactured civilian aircraft. He also reported that Fujian Province had expressed interest in acquiring natural gas from Indonesia but the two sides had yet to agree to a price.

Burma

18. (C) Deputy Director Wang reported that China had encouraged ASEAN to play an active role in addressing the situation in Burma. Indonesian diplomat Sasongko said that both sides agreed that international pressure should be "proportional."

North Korea

19. (C) China was supportive of Indonesia's initiative to send an envoy to Pyongyang to convince North Korea to send its foreign minister to the ASEAN Regional Forum (ARF) meeting in Phuket, Thailand July 21-23, Wang said. Sasongko claimed that Indonesia had maintained positive relations with North Korea since the time of Sukarno, and that Indonesia therefore hoped it could successfully woo North Korea to participate in the ARF talks.

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